

House File 2035 - Introduced

HOUSE FILE 2035

BY BEST

A BILL FOR

1 An Act providing sales and use tax refunds on the sales
2 price of materials, equipment, and services used in the
3 performance of a written construction contract with a
4 nonprofit hospital, and including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

H.F. 2035

1 Section 1. Section 423.4, subsection 1, paragraph a, Code
2 2024, is amended by adding the following new subparagraph:
3 NEW SUBPARAGRAPH. (10) A hospital defined in section 135B.1
4 that is a nonprofit and is located in this state.

5 Sec. 2. APPLICABILITY. This Act applies to written
6 contracts for construction projects entered into with a
7 nonprofit hospital on or after January 1, 2025.

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill provides sales and use tax refunds on the sales
12 price of materials, equipment, and services used in the
13 performance of a written construction contract with a nonprofit
14 hospital.

15 Under the bill, a nonprofit hospital may apply to the
16 department of revenue for the refund of the sales or use tax
17 upon the sales price of materials, equipment, and services
18 if all of the following apply: the materials, equipment,
19 and services are completely consumed in the performance of
20 the construction project with the nonprofit hospital; the
21 property that is subject of the construction project becomes
22 public property or the property of the nonprofit hospital; and
23 the construction project is not used in connection with the
24 operation of a municipal utility or used in a construction
25 project under Code chapter 419 (municipal support projects).

26 The bill defines "hospital" to mean the same as a hospital
27 defined in Code section 135B.1 that is a nonprofit and is
28 located in this state.

29 The bill applies to written contracts for construction
30 projects entered into with a nonprofit hospital on or after
31 January 1, 2025.